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May 9, 2012

TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe  
Auditor-Controller

SUBJECT: **COMMUNITY AND SENIOR SERVICES – REVIEWS OF WORKFORCE  
INVESTMENT ACT WAIVER YOUTH EMPLOYMENT PROGRAM  
SERVICE PROVIDERS – FISCAL YEAR 2011-12 SUMMARY REPORT**

At the request of Community and Senior Services (CSS), we completed program, fiscal, and administrative reviews of all 16 Workforce Investment Act Waiver Youth Employment Program (WWYEP) contract service providers. The WWYEP service providers provide work-based training for eligible youth and young adults between 14 and 21 years old. The goal of the Program is to encourage youth to remain in school, develop career goals, and secure employment. CSS paid the 16 contractors a total of approximately \$1.9 million on a cost-reimbursement basis for FY 2011-12.

Our reviews covered a sample of transactions for each service provider from Fiscal Year 2011-12. We also visited 32 (13%) of the 241 active WWYEP worksites during September 2011.

**Review Summary**

The contractors provided the required services to eligible participants, and had adequate controls over their business operations. However, we identified \$9,595 in questioned costs billed to the WWYEP. Specifically:

- Five (31%) of the 16 contractors inappropriately charged a total of \$4,659 in unallowable expenditures to the WWYEP.

- One (6%) contractor charged \$2,234 to the WWYEP for expenditures that were not adequately supported by appropriate documentation.
- Two (13%) contractors used inappropriate or unsupported methods to allocate a total of \$2,702 in shared program costs to the WWYEP.

The WWYEP contractors also did not always comply with other WWYEP and County contract requirements. For example:

- Four (25%) contractors allowed participants under the age of 18 to work past the curfew times set by California labor laws (7 p.m. for 14 and 15-year-olds, and 9 p.m. for 16 and 17-year-olds).
- Two (13%) contractors allowed participants under the age of 18 to work more than the maximum number of hours permitted by California labor laws on school days.
- Three (19%) contractors did not always obtain required criminal record clearances for their WWYEP employees.

In addition, the worksites used by the WWYEP contractors did not always comply with WWYEP requirements. For example:

- Twenty-one (66%) of the 32 worksites visited did not have required notices (e.g., minimum wage poster, pay day notice, Cal/OSHA safety rules and regulations notice, workers' compensation insurance coverage notice, and equal opportunity poster, etc.) posted in clear view.
- Ten (31%) worksites did not always comply with health and safety regulations (e.g., missing evacuation plans, exit signs, current fire extinguishers certificates, non-functioning smoke detectors, etc.).
- Nine (28%) worksites did not have all required documentation (e.g., worksite agreements, job descriptions, time sheets, work readiness evaluations, lists of participants, etc.).
- Three (9%) worksites did not provide breaks to participants as required by California labor laws.
- One (6%) contractor did not adequately monitor one of their worksites. During our worksite visit, we noted several violations of contract health and safety requirements (e.g., smoke alarms were not working, no emergency exit signs above doors, etc). The violations should have been detected during the contractor's monitoring review.

However, the contractor's worksite monitoring report for the same period did not identify these violations.

Attachment I summarizes the findings for each service provider that provided WWYEP services from July through September 2011. Attachment II summarizes the findings for each worksite visited during September 2011.

### **Review of Report**

We discussed our findings with CSS and the WWYEP service providers. CSS will issue a separate response to your Board on the actions they have taken to resolve the questioned costs and other issues noted in our reviews. Because of the number of service providers, we have not attached copies of the individual reports. However, copies of the individual reports are available for your review upon request. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:JLS:DC:AA:JS

#### **Attachments**

c: William T Fujioka, Chief Executive Officer  
Cynthia D. Banks, Director, Community and Senior Services  
Public Information Office  
Audit Committee

Community and Senior Services  
WWYEP Contract Reviews – Summary of Findings  
July through September 2011

Attachment I

#	Contractors	Amount Paid	# of Recos.	Findings											
				A	B	C	D	E	F (3)	G	H	I	J (1)	Total	
1	Asian American Drug Abuse Program, Inc.	\$ 6,207	0											\$ -	
2	Catholic Charities of Los Angeles, Inc.	\$ 306,774	4		X	X				\$ 2,234				\$ 2,234	
3	City of Compton - Compton Careerlink	\$ 99,781	1							\$3,440				\$ 3,440	
4	Comprehensive Community Services of South Bay, Inc.	\$ 43,343	1						X		\$ 92			\$ 92	
5	Door of Hope Community Center, Inc.	\$ 40,008	2							X	\$ 480			\$ 480	
6	Goodwill Industries of Southern California (1)	\$ 206,017	6	X	X	X	X	X			\$ 586			\$ 586	
7	H.S. Consortium of the East San Gabriel Valley dba LA WORKS	\$ 177,482	1			X								\$ -	
8	Hub Cities Consortium	\$ 337,191	2			X			X					\$ -	
9	Jewish Vocational Services	\$ 18,816	0											\$ -	
10	Los Angeles County Office of Education	\$ 212,683	1						X					\$ -	
11	Maravilla Foundation	\$ 54,337	0											\$ -	
12	Mexican American Opportunity Foundation	\$ 32,879	2										\$ 2,231	\$ 2,231	
13	Southeast Area Social Services Funding Authority	\$ 123,467	0											\$ -	
14	Special Services for Groups	\$ 52,284	0											\$ -	
15	Watts Labor Community Action Center	\$ 13,866	0											\$ -	
16	West San Gabriel Valley Consortium dba Career Partners-Rosemead (2)	\$ 159,840	3						X		\$ 61		\$ 471	\$ 532	
TOTAL		\$1,884,975	23							\$4,659	\$ 2,234	\$ 2,702	\$ 9,595		

**Code Summary**

- A** Contractor did not document worksite monitoring results.
- B** Contractor did not obtain signed WWYEP agreements for each worksite.
- C** Contractor allowed participants under the age of 18 to work past the California labor law curfew.
- D** Contractor allowed participants under the age of 18 to work more than the maximum number of hours permitted by California labor laws.
- E** Contractor did not ensure employees and participants took their lunch breaks within the timeframes required by California labor laws.
- F** Contractor over/underpaid participants by minor amounts.
- G** Contractor did not obtain required criminal record clearances and/or did not have clearance documentation for all WWYEP employees.
- H** Contractor charged unallowable expenditures to the WWYEP.
- I** Contractor charged expenditures to the WWYEP without appropriate documentation.
- J** Contractor used inappropriate/unsupported methods to allocate shared costs to the WWYEP.

**Footnotes**

- (1) We determined the questioned costs for each contractor based on a sample period. We recommended that the contractors review and reallocate the expenditures charged to the WWYEP, provide CSS with supporting documentation, and repay any overbilled amounts.
- (2) The amount paid for this contractor is not final and will increase once the contractor submits their final invoice.
- (3) We recommended that the contractors review their participant payments and resolve any over/underpayments.

Community and Senior Services  
WWYEP Worksite Visits – Summary of Findings  
September 2011

#	Contractors	# of Worksites Visited	# of Worksites Per Finding						Total Findings
			A	B	C	D	E	F	
1	Asian American Drug Abuse Program, Inc.	1	1	1				1	3
2	Catholic Charities of Los Angeles, Inc.	3	2	2	1				5
3	City of Compton – Compton CareerLink	1	1	1					2
4	Comprehensive Community Services of South Bay, Inc.	1	1	1					2
5	Door of Hope Community Center, Inc.	1			1				1
6	Goodwill Industries of Southern California	3	2	1		1			4
7	Hub Cities Consortium	4	3		1				4
8	H.S. Consortium of the East San Gabriel Valley dba LA WORKS	5	3	1	1	2	1		8
9	Jewish Vocational Service	1	1		1				2
10	Los Angeles County Office of Education	3	3		1				4
11	Maravilla Foundation	1		1					1
12	Mexican American Opportunity Foundation	1							-
13	Southeast Area Social Services Funding Authority	2	1		1				2
14	Special Service for Groups	1	1	1	1				3
15	Watts Labor Community Action Center	1	1	1	1				3
16	West San Gabriel Valley Consortium dba Career Partners-Rosemead	3	1						1
<b>TOTAL</b>		<b>32</b>	<b>21</b>	<b>10</b>	<b>9</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>45</b>
<b>% OF TOTAL WORKSITES PER FINDING CATEGORY</b>			<b>66%</b>	<b>31%</b>	<b>28%</b>	<b>9%</b>	<b>3%</b>	<b>3%</b>	

**Code Summary**

- A** Contractor worksites did not have all the required notices (e.g., minimum wage poster, pay day notice, Cal/OSHA safety rules and regulations notice, workers' compensation insurance coverage notice, and equal opportunity poster, etc.) posted in clear view.
- B** Contractor worksites did not always comply with health and safety regulations (e.g., missing evacuation plans, exit signs, current fire extinguishers, functioning smoke detectors, etc.).
- C** Contractor worksites did not have all required documentation (e.g., worksite agreement, job descriptions, time sheets, work readiness evaluations, and/or the list of participants) on file at the worksites.
- D** Contractor worksites did not provide breaks to participants as required by California labor laws.
- E** Contractor worksite supervisor did not attend a required WWYEP orientation.
- F** Contractor did not adequately monitor their worksite.